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Unemployment Rates For Los Angeles Tell A Disappointing Story

Last Friday, the California Employment Development Department released the Employment Report for June. The California unemployment rate stands at 6.3 percent, the County of Los Angeles is 7.4 percent and the City of Los Angeles is 7.7 percent. The U.S. unemployment rate is 5.3 percent. While all of these numbers are better than a year ago, the growth in jobs in L.A. City and County is lagging far behind other metropolitan counties in California. Here are the comparisons: San Francisco – 3.5 percent; Alameda (Oakland) - 4.6 percent; San Diego – 5.0 percent; Orange – 4.3 percent; Santa Clara (San Jose) – 4.0 percent. All of these metro counties have a lower unemployment rate than the United States except L.A. County.

That is why the word "finally" came out of my mouth three weeks ago when L.A. City Council President Herb Wesson announced that he was creating a special five-member committee of city council members to develop a plan for increasing employment across the City. The City Council spent the last nine months developing a plan to raise the minimum wage for businesses in L.A., but it has not focused at all on encouraging businesses to grow and prosper in L.A. In fact, the sentiment among many in the business community is that the minimum wage increase will delay the hiring of additional employees for many companies.

The Chamber will provide aggressive support to the five-member committee to be chaired by councilmember Paul Krekorian. This is an opportunity for the L.A. City Council to reach out to businesses and ask the simple question, "What can the City of Los Angeles do to encourage your company to make an additional investment in Los Angeles and hire more employees?" Interactions between members of the city council and individual businesses will open new communications with the private sector and help to develop a new sensitivity by elected officials to both the opportunities and the challenges of doing business in L.A.

Thank you Council President Wesson for taking the lead. L.A. City and County have lots of catch up work to do. Encouraging private sector job creation has not been a priority at City Hall or the County Hall of Administration. The unemployment numbers tell the story. It's time to change that story.

And that's The Business Perspective.



The Business Perspective is a weekly column by Gary Toebben, President & CEO of the Los Angeles Area Chamber of Commerce, produced with the input of Public Policy staff.

